

Caricom Consumer Sentiment Survey

Introduction

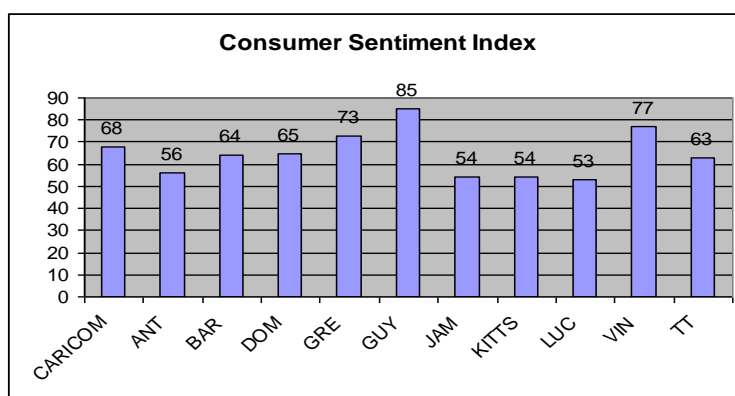
The Department of Management Studies at UWI Cave Hill presents the first edition of its quarterly survey of consumer sentiment across Caricom. The Consumer sentiment indices we present measure consumers' perceptions and expectations of their personal financial situation, business conditions, economic conditions, and buying conditions. The indices are quantitatively derived scores with an anchor of 100. The indices can range from 0 (very pessimistic/negative outlook) to 200 (very optimistic/positive outlook), with 100 representing neutrality. Our indices are calculated using the same methodology as the widely reported University of Michigan Consumer Sentiment Index in the U.S.A.

Participants and Sampling Method

Surveys of consumers were administrated by trained research assistants in Barbados, Jamaica, Guyana, Trinidad and Tobago, and the OECS territories of Antigua & Barbuda, Dominica, Grenada, St. Kitts & Nevis, St. Lucia and St. Vincent & the Grenadines. A total of 6,157 responses were collected across ten countries. A sample of 500 consumers is used to construct the indices in the USA, UK and Canada and we require a minimum response rate of 500 persons per country for that country to be included in the survey.

Consumer Sentiment Index : At the end of the first quarter of 2011, the Caricom Consumer Sentiment Index stood at 68. The fact that the index value is less than 100 suggests that a majority of consumers are generally pessimistic about their personal financial situation and general business and economic conditions. The pessimism in Caricom is shared by our major trading partners, in that at the end of March 2011 the index stood at 87.3 in Canada, 67.5 in the USA and 38 in the UK.

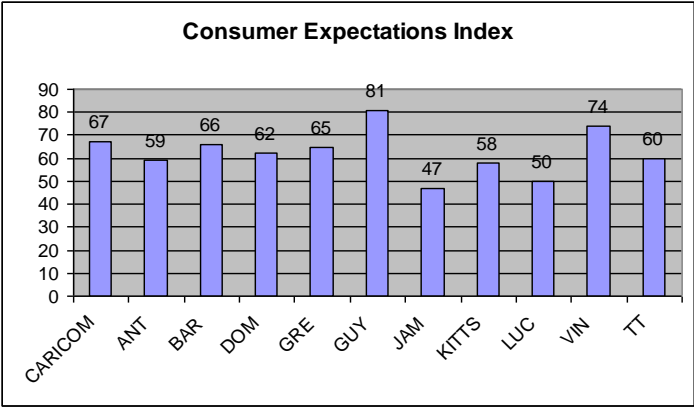
Across Caricom, the Consumer Sentiment Index scores range from a high of 85 in Guyana to a low of 53 in St. Lucia. The results suggest that consumers in Guyana, St. Vincent & the Grenadines and Grenada are among the more optimistic or less pessimistic, St. Lucians, Kittians & Nevisians, Jamaicans and Antiguans are among the more pessimistic, while consumers in Barbados, Dominica and Trinidad and Tobago are around the Caricom average.



Consumer Expectations Index: The Consumer Expectations Index stood at 67. The fact that the index value is less than 100 suggests that a majority of persons across

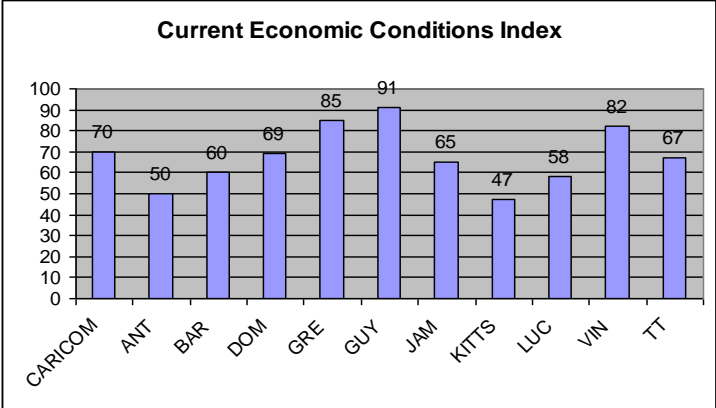
Caricom expect their personal financial situation, general business and economic conditions to get worse over the next year. The Caricom outlook is a bit more optimistic than in the USA (57.9) and the UK (50). Across Caricom, the Consumer Expectations Index scores range from a high of 81 in Guyana to a low of 47 in Jamaica.

Consumers in Guyana and St. Vincent & the Grenadines have the most positive outlooks, consumers in Jamaica, St. Lucia, St. Kitts & Nevis and Antigua & Barbuda have the most negative outlooks, while consumers in Barbados, Grenada, Dominica and Trinidad and Tobago are around the Caricom average.



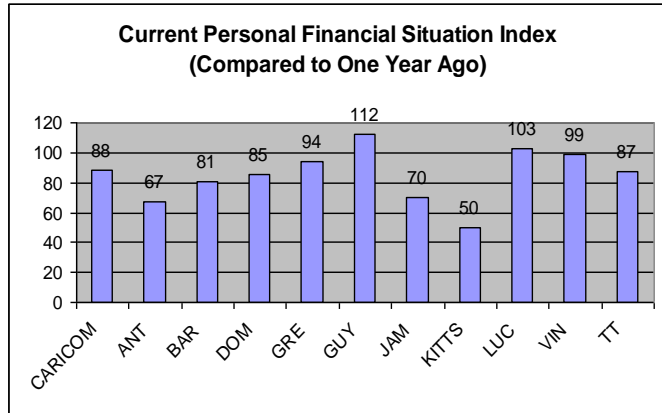
Current Economic Conditions Index: The Current Economic Conditions Index stood at 70. The fact that the index value is less than 100 indicates that a majority of persons in Caricom think economic conditions are worse than they were a year ago. The scores range from a high of 91 in Guyana to a low of 47 in St. Kitts and Nevis.

Across Caricom, consumers in Guyana, Grenada and St. Vincent & The Grenadines give the highest ratings to current economic conditions, consumers in St. Kitts & Nevis, Antigua & Barbuda and St. Lucia give the lowest ratings to current economic conditions, while consumers in Dominica, Trinidad & Tobago, Jamaica and Barbados are around the Caricom average.



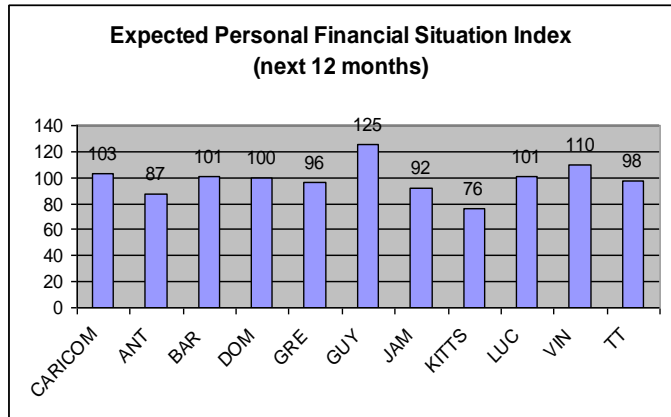
Current Personal Financial Situation: The Current Personal Financial Situation (compared to one year ago) Index stood at 88. This suggests that a majority of consumers' personal financial situation has remained the same or gotten worse over the last year. The index scores range from a high of 112 in Guyana to a low of 50 in St. Kitts and Nevis.

The results suggest that **over** the last year the personal financial situation of a majority of persons in Guyana and St. Lucia has remained the same or gotten better and things have been pretty even in St. Vincent & The Grenadines and Grenada. On the other hand, a majority of persons in Trinidad and Tobago, Dominica and Barbados have seen their personal financial situation remain the same or worsen, while a sizeable majority of persons in St. Kitts and Nevis, Antigua and Jamaica have seen their personal financial situation remain the same or worsen.



Expected Personal Financial Situation: The Expected Personal Financial

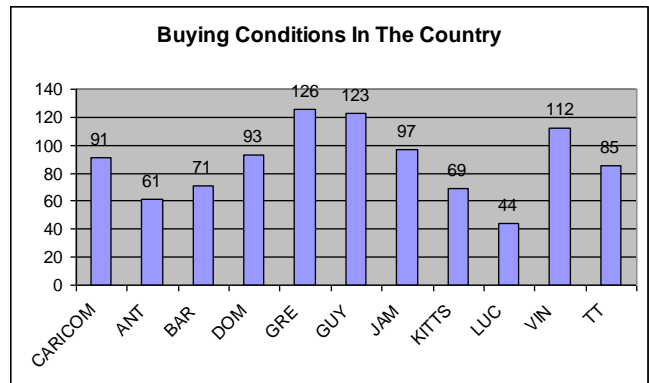
Situation (next 12 months) Index stood at 103, indicating that a majority of consumers expect their personal financial situation to stay the same or get better over the next twelve months. Consumers in Guyana and St. Vincent & The Grenadines are the most optimistic about their personal financial prospects over the next twelve months and a majority of Barbadians, St. Lucians, and Dominicans expect their personal financial situation to remain the same or get better over the next twelve months. However, a majority of consumers in St. Kitts and Nevis, Antigua & Barbuda, Jamaica, Trinidad and Tobago and Grenada expect their personal financial situations to remain the same or worsen over the next twelve months.



Current Buying Conditions In The Country:

The Current Buying Conditions Index stood at 91 indicating that a majority of consumers across Caricom thought it was a bad time to undertake major purchases. The scores ranged from a high of 126 in Grenada to a low of 44 in St. Lucia.

The results suggest that a majority of consumers in Grenada, Guyana and St. Vincent & The Grenadines thought it was a



good time to undertake major purchases, while a majority of consumers in Jamaica, Dominica and Trinidad and Tobago, St. Kitts & Nevis, Barbados, Antigua & Barbuda and especially St. Lucia thought it was a bad time to undertake major personal expenditures.

Government Economic Policy Rating: Respondents were also asked to rate the current economic policies of their government.

As to the economic policies of the government would you say the government is doing a good job, only fair, or a poor job?

	Car	Ant	Bar	Dom	Gre	Guy	Jam	Luc	Vin	Kitts	T&T
Good job	14.3%	8.4%	19.3%	17.7%	9.6%	11.1%	2.0%	2.5%	30.8%	8.0%	5.2%
Only fair	38.8%	32.3%	44.5%	29.5%	54.7%	39.3%	30.7%	37.5%	37.1%	31.2%	37.8%
Poor job	38.8%	46.5%	25.5%	42.6%	35.1%	43.0%	63.4%	51.9%	25.5%	55.6%	50.5%
Don't know	8.0%	12.5%	10.7%	10.3%	0.7%	6.6%	4.0%	7.8%	6.5%	5.2%	6.4%

On average only 14 percent of consumers thought their government was doing a good job in terms of economic policies. Respondents in St. Vincent & the Grenadines, Barbados and Grenada gave the highest marks to current government economic policies in that a majority of respondents rated government's economic policy as good or only fair. Jamaican respondents gave the lowest grade on government economic policies, and over fifty percent of respondents in St. Kitts & Nevis, St. Lucia and Trinidad & Tobago thought government's economic policies were poor.

Conclusion

In general, consumers in Guyana and St. Vincent & the Grenadines are the most optimistic in Caricom, while consumers in Antigua & Barbuda, St. Kitts & Nevis, St. Lucia and Jamaica are the most pessimistic. We attribute this to the fact that Guyana and St. Vincent & the Grenadines are among the least tourism and international financial services dependent economies in Caricom. Hence, consumers in those countries may have suffered less from the impacts of the global economic recession and the ensuing slow recovery. On the other hand, Antigua and Barbuda and St. Kitts & Nevis along with being heavily tourism dependent may have been disproportionately impacted by the Stanford debacle, while St. Lucia has had the additional impact of Hurricane Tomas.

We would like to thank the citizens across Caricom for taking the time to complete our questionnaires as we look forward to your continued cooperation as we try to foster a Caricom Single Market and Economy.